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17 OCT 1960

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Brig. General Andrew J. Goodpaster  
Staff Secretary  
The White House  
Washington 25, D. C.

Dear General Goodpaster:

The matter raised by Congressman Norrell in his letter of 21 September to the President is being looked into further by a task force of Intelligence Board representatives.

We believe the idea may have some merit. I am enclosing a suggested draft reply to Congressman Norrell to be signed by the appropriate member of the White House Staff.

Thank you for bringing this matter to our attention.

Sincerely,

SEEN

OGC and NSC review(s) completed.

C. P. Cabell  
General, USAF  
Deputy Director

Enclosure

O/DCI/[ ]:kp(10/17/60)

Distribution:

Orig & 1 - Addressee

1 - DCI

1 - DDCI

✓ 1 - ER (w/memo from Gen. Counsel)

1 - Legislative Counsel

1 - General Counsel

1 - C/FI (attn: [ ]) w/basic ltr from Gen. Goodpaster

Approved For Release 2003/09/02 : CIA-RDP80B01676R000900020033-7

~~1 - ER~~

1 - USB/Sec

\* Handed to [ ] by [ ]

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DRAFT

THE WHITE HOUSE  
Washington, D. C.

The Honorable W. F. Norrell  
House of Representatives  
Washington 25, D. C.

Dear Mr. Norrell:

Your suggestion for using retired military officers living abroad to collect intelligence information has been referred to the U. S. Intelligence Board. This body is looking into the matter further.

I understand that over the years some use, on a selective basis, has already been made of retired officers for such a purpose. The appropriate departments and agencies are now studying the feasibility of expanding this activity and placing it on a more systematic basis.

I am sure you will appreciate that discussion of this idea outside the Intelligence Community could be counter-productive. Such discussion would attract attention and perhaps suspicion to all retired military officers living abroad and even those who were not engaged in collection would be the targets of suspicion. Let me assure you that we plan to handle this matter on a discreet basis.

We believe this idea is quite timely and we are grateful to you for having brought it to our attention.

Sincerely,

7 October 1960

MEMORANDUM FOR: Mr. Dulles

1. While the dual compensation laws are complicated, particularly in their interpretation, the basic rules can be stated more simply. Section 62, 5 U.S.C., provides that no person who holds an office, the salary for which amounts to \$2,500, shall be appointed to any other office to which compensation is attached unless specially authorized by law. The Comptroller General holds that a retired officer holds an office within the meaning of this prohibition, and, therefore, if his retired pay is over \$2,500 he cannot be appointed to a civilian position unless there is specific statutory authority. The prohibition does not apply to elective office or presidential appointments by and with the advice and consent of the Senate, nor in cases where retirement is for injuries received in battle or incapacity incurred in line of duty. There are various other specific exceptions, such as the authority given to this Agency to appoint not more than 15 retired officers who otherwise would be barred. Statutes relating to reserve officers provide that they are not deemed to hold an office within the meaning of section 62, and they, therefore, do not come within the prohibition. Even if there is no prohibition on appointment of a retired officer, section 59a, 5 U.S.C., limits the combined pay from retirement and the civilian position to \$10,000 per annum, and if the combination exceeds that they must choose between the retired pay or the pay of the civilian office. This limitation does not apply to regular officers retired for disability incurred in combat with an enemy or caused by an instrumentality of war and incurred in line of duty during a period of war, or to reserve officers, unless, according to a recent Comptroller General Opinion, they are retired for physical disability under certain circumstances.

2. I believe it is clear from the above that any general proposal to use retired officers in Government employment would require liberalizing legislation. Traditionally, there has been considerable congressional opposition to any further blanket exemptions, although possibly this is not now as strong as it once was.

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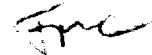
Lawrence R. Houston  
General Counsel

cc: DDCI  
DD/S

MEMORANDUM FOR: Mr. Dulles:

Attached is the proposal from Col. Samuel Lewis about which Mr. Truman wrote you. You have acknowledged Mr. Truman's letter saying you will look into the matter.

Congressman Norrell sent Col. Lewis' proposals to the President and Andy Goodpaster has forwarded it to you "for recommendation as to appropriate handling." After you have noted, I will send this over to John Warner and ask him to get the coordinated views of the DD/P, DD/I and DD/S components as well as those of the IG.



FMC

5 October 60

(DATE)

FORM NO. 101 REPLACES FORM 10-101  
1 AUG 54 WHICH MAY BE USED.

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